

ORIGINAL

CHAIRMAN STUMP'S PROPOSED AMENDMENT NO. 1

DATE PREPARED: January 22, 2013



COMPANY: UNS Electric, Inc.

AGENDA ITEM NO.: 10

DOCKET NO(S): E-04204A-12-0297

OPEN MEETING DATE: January 23, 2013

Page 12, Lines 15-25

DELETE: The last sentence in Finding of Fact No. 31 and all of Finding of Fact No. 32.

INSERT: New Findings of Fact Nos. 32, 33, 34, 35, and 36.

32. A number of stakeholders have filed comments in the REST proceedings for Arizona Public Service Company (Docket No. E-01345A-12-0290) and Tucson Electric Power Company (Docket No. E-01933A-12-0296) on the "Track and Record" proposal. In these comments, stakeholders have raised a variety of concerns about the "Track and Record" proposal. The comments indicate that controversies exist over the "Track and Record" proposal; therefore, the issues related to this proposal and potential alternatives appear to be better suited for a hearing.

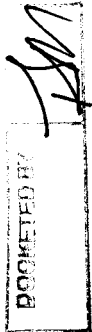
33. Although Staff believes that the "Track and Record" proposal has merit, Staff understands how some parties may believe that "Track and Record" may be inconsistent with the existing provisions of the REST Rules. Because of the number and tenor of the comments, Staff recommends that the "Track and Record" proposal not be adopted at this time, thereby maintaining the status quo.

34. Staff believes, however, that the "Track and Record" proposal merits serious consideration, and the issue should be addressed by the Commission. At this time, Staff recommends that the Commission act upon all aspects of UNS' plan except the "Track and Record" proposal. Staff recommends that the "Track and Record" proposal (as well as potential alternatives thereto) should be subject to a hearing.

35. The Commission should direct the Hearing Division to schedule a procedural conference, entertain requests for intervention, hold a hearing, and prepare a recommended opinion and order ("ROO") for Commission consideration on the "Track and Record" proposal and potential alternatives. The ROO should

Arizona Corporation Commission
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THIS AMENDMENT:

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____ Passed ____ Passed as amended by ____

____ Failed ____ Not Offered ____ Withdrawn

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evaluate whether adoption of the “Track and Record” proposal (or alternatives thereto) would require modifications to the REST Rules.

36. In light of Staff’s recommendation to hold a hearing on the “Track and Record” proposal, Staff also recommends that UNS should not count toward its REST compliance any 2012 renewable projects that did not receive incentives. Staff recognizes that UNS’s ability to comply with its 2013 REST requirement could be impacted by the Commission’s acting on “Track and Record” (or another potential alternative) at a later date. Therefore, UNS may file with the Commission, at an appropriate time, a request for a remedy if UNS believes that its ability to comply with its 2013 REST requirement has been affected.

Page 20, Lines 10-13 and Lines 16-18

DELETE: Findings of Fact Nos. 61, 62, and 64.

INSERT: New Findings of Fact Nos. 61 and 62.

61. Staff recommends that the “Track and Record” proposal (as well as potential alternatives thereto) should be subject to a hearing as discussed herein.

62. Staff recommends that UNS should not count toward its REST compliance any 2012 renewable projects that did not receive incentives.

Page 20, Lines 24-25

INSERT: the following phrase in Conclusion of Law No. 3 after “October 18, 2012,”

“and Staff’s Supplemental Memorandum dated January 17, 2013,”

Page 22, Lines 6-10

DELETE: lines 6-10.

INSERT: the following as new ordering paragraphs.

IT IS FURTHER ORDERED that the “Track and Record” proposal shall not be adopted for UNS at this time.

IT IS FURTHER ORDERED that the “Track and Record” proposal (as well as potential alternatives thereto) should be subject to a hearing as discussed herein.

IT IS FURTHER ORDERED that UNS should not count toward its REST compliance any 2012 renewable projects that did not receive incentives.

RENUMBER TO CONFORM, AND MAKE ALL CONFORMING CHANGES.